VZCZCXRO2196 PP RUEHFK DE RUEHKO #4899 2400243 ZNR UUUUU ZZH P 280243Z AUG 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 5790 RUEKJCS/SECDEF WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHHMHBA/COMPACFLT PEARL HARBOR HI//N541// PRIORITY RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY RUHBANB/OKINAWA FLD OFC US FORCES JAPAN CP BUTLER JA PRIORITY RHMFIUU/COMUSJAPAN YOKOTA AB JA PRIORITY INFO RUEHFK/AMCONSUL FUKUOKA 7826 RUEHOK/AMCONSUL OSAKA KOBE 1164 RUEHBJ/AMEMBASSY BEIJING 3944 RUEHMO/AMEMBASSY MOSCOW 1210 RUEHUL/AMEMBASSY SEOUL 0076 RUCNDT/USMISSION USUN NEW YORK 1756 RHEHAAA/NSC WASHDC

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E.O. 12958: N/A

TAGS: OIIP KMDR KPAO JA

SUBJECT: MEDIA REACTION Q NORTH KOREA - TOKYO

LEAD STORIES: Most Monday morning papers front-paged reports from Seoul regarding a proposal made by Secretary of Defense Rumsfeld to return wartime operational control of ROK troops to Seoul in 2009.

- 11. "North Korea: The Fate of Military-First Policy" The moderate Tokyo Shimbun editorialized (8/27): "It has been nearly two months since North Korea launched a barrage of ballistic missiles into the Sea of Japan. With rumors that Pyongyang will soon conduct an underground nuclear test, it seems that North Korea is placing even more emphasis on its policy of giving the greatest priority to the country's military. Within these moves can be seen the limits of dictatorship as a system of government. It appears that the missile launches were a major miscalculation on the part of Kim Jong Il.... Kim was surprised by the strong US reaction that the launches elicited, as the aim was to get the US to lift its financial sanctions on Pyongyang. The Bush administration, however, has not shown any signs of complying with the DPRK's call for direct talks....
- 12. "The North Korean economy is on the brink of collapse. 'Military first' of course means that economic development and public welfare are put on the backburner, and the massive floods this summer have only deepened the people's dissatisfaction with the regime. Nuclear weapons and missiles are the only tools Kim has at his disposal for riding out these crises at home and abroad.... Although North Korea has the option of returning to the six-party talks in an effort to buy time, neighboring countries are taking a much more severe view of the DPRK than in the past; continuing isolation could threaten the regime's survival. The recent missile launches have proved one thing -- that Pyongyang's brinkmanship no

longer works. The international community is watching closely to see what  $\operatorname{Kim}$  Jong Il does next."

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